

Alternatives by Issue Paper – April 29, 2002

ISSUE A - BASELINE DETERMINATION: How should a mercury emission baseline be established for utility units or other mercury emitting sources that may be affected by requirements to cap and reduce mercury emissions?

1. Use the baseline determination procedure in the proposed rules.
2. Select current year fuel mercury content and emission rate data and apply to historic coal throughput during the identified baseline years.
3. Use mercury emissions data from a recent year(s) or year(s) after the proposed rules are promulgated.

ISSUE B – INTERACTION OF STATE VERSUS FEDERAL REQUIREMENTS: What is the relationship between a Wisconsin regulation and pending federal regulations that will require mercury emission reductions from electric utility boilers and industrial boilers?

1. Clearly state in rules that requirements i.e. cap, offsets do not apply to sources covered by a MACT standard.
2. Include rule language that mandates that the state proposal be consistent and no more stringent than the federal MACT for utilities (applies to any federal MACT).
3. Instead of having two reviews of the rule at certain dates, have the first review occur immediately after promulgation of MACT standard and the second as currently written in the proposed rule.
4. Indefinitely postpone the state rule until the federal programs for mercury emissions are in place.
5. Develop specific rule language that avoids penalty for early action if MACT rules are defined as percent reduction from historic baseline.

ISSUE C – PERIODIC RULE EVALUATIONS: What should the frequency and content of the rule evaluation reports to the Natural Resources Board be?

1. Stay with the evaluation in the proposed rules.
2. Instead of having two reviews of the rule at certain dates, have the first review occur immediately after promulgation of MACT standard and the second as currently written in the proposed rule.
3. Develop 2-phased rule package that sets phase I rules, but sets conditional phase II rules contingent on the federal utility MACT standard. Department to evaluate phase II rules once MACT standard is finalized and report back to the Natural Resources Board. Process to include an advisory committee and public comment period.

ISSUE D – AFFECT ON ELECTRIC RELIABILITY: Are the variance procedures adequate to safeguard electric reliability?

1. Maintain existing rules and variance language.
2. Maintain existing rules and expand variance language beyond focus on short-term, one-time occurrences of electric supply emergencies or fuel supply disruptions to include situations where the compliance standards are not feasible or lead to fuel-switching.
3. Modify rules so they are “cost-effective, reasonable, and do not interfere with the ability of electric utilities to supply the state’s energy needs”, and fine-tune existing variance language.

ISSUE E – EMISSION CAPS: Should major industrial sources have requirements in the proposed rules that place a cap on their annual mercury emissions?

1. Maintain existing rules proposal.
2. Eliminate the requirements for major stationary sources.

ISSUE F – GROWTH IN MERCURY EMISSIONS: How should growth in mercury emissions be addressed in the proposed rules?

1. Maintain offset provisions in the proposed rules.
2. Eliminate the offset requirement and rely on the rule’s emission caps, reduction requirements, and federal MACT standards already applicable to new utility sources.
3. Require mercury emission reductions equal to 150% of the annual mercury emission increase from any new source or modification of an existing source without a lower mercury emission threshold of 10 pounds.
4. Instead of emission offsets establish a mercury control technology requirement for new sources and modifications of existing sources with substantial mercury emissions.
5. Require mercury control technology for new sources and modifications of existing sources with substantial mercury emissions only if a finding were made that there would be a benefit from the reductions that would be achieved.

ISSUE G – MERCURY REDUCTION REQUIREMENTS: The schedule and stringency of mercury emission reductions required of the four major electric utilities.

1. Proceed with the proposed rules.
2. Implement a voluntary program.
3. Require a two-step reduction schedule, 10% by 2007 and 40% by 2012.

4. Require a two-step reduction schedule, 25% by 2006 and 90% by 2010. If trading is allowed, require 90% mercury reductions by 2008. Expand reduction requirement to include all utilities and government owned boilers with more than 10 pounds of mercury emissions in one year including chlor-alkali plants, medical waste incinerators, municipal waste incinerators and other significant sources. Include a provision for the virtual elimination of mercury 20 years after rule promulgation.
5. Include provision for a multi-pollutant reduction alternative that would allow a major utility the opportunity to propose a multi-pollutant reduction program instead of achieving the mercury reduction requirements in the rules. Mercury reductions would still need to be an element of the proposal, which would also require a commitment to provide other environmental benefits beyond existing laws and rules. The proposal would also need to include a schedule to accomplish the alternative program. The alternative program would be subject to a public hearing.

ISSUE H - TRADING: Should compliance with the proposed mercury rules include provision for emission reduction credits created from mercury product collection projects or pollution reduction projects?

1. Proceed with the trading provisions as outlined in the proposed rules.
2. Do not set limits on the use of certified emission reduction credits.
3. Do not include mercury containing product reduction program and limit the ability to meet emission reduction requirements by obtaining certified emission reductions from others to 20%.
4. Eliminate small source trading (mercury product collection) provision; leave large source trading provision as is. Give credit to sources that made reductions after the baseline years but before rule promulgation.
5. Eliminate trading provision entirely.